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Summary of Consolidated Financial Results for the Nine Months Ended November 30, 2020 (Based on Japanese GAAP)

January 14, 2021

Company name:	Plenus Co., Ltd.	Stock exchange listing:	Tokyo
Stock code:	9945	URL:	https://www.plenus.co.jp/
Representative:	President and Representative Director	Tatsuo Shioi	
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Scheduled date to file Quarterly Securities Report:		January 14, 2021	
Scheduled date to commence dividend payments:		–	
Preparation of supplementary material on quarterly financial results:		Yes	
Holding of quarterly financial results meeting:		No	

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended November 30, 2020 (from March 1, 2020 to November 30, 2020)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended November 30, 2020	105,019	(6.9)	186	11.2	659	7.1	(931)	–
Nine months ended November 30, 2019	112,786	(2.4)	167	–	615	27.4	(949)	–

(Note) Comprehensive income: Nine months ended November 30, 2020 (825) million yen (–%)
 Nine months ended November 30, 2019 (948) million yen (–%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended November 30, 2020	(24.31)	–
Nine months ended November 30, 2019	(24.78)	–

(Note) Diluted earnings per share are not stated although there are dilutive shares because the Company reported a net loss per share.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2020	82,734	53,489	63.7
As of February 29, 2020	86,179	55,491	63.5

(Note) Shareholders' equity: As of November 30, 2020 52,660 million yen
 As of February 29, 2020 54,727 million yen

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended February 29, 2020	–	30.00	–	30.0	60.0
Year ending February 28, 2021	–	0.00	–	–	–
Year ending February 28, 2021 (Forecast)	–	–	–	–	–

(Note) Revision of the dividends forecast released most recently: None
 The fiscal year-end dividend for the year ending February 28, 2021 is undecided at the moment.

3. Forecast of consolidated financial results for the year ending February 28, 2021 (from March 1, 2020 to February 28, 2021)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	140,290	(6.2)	800	129.5	1,330	82.4	(1,760)	–	(45.90)

(Note) Revision of the consolidated results forecast released most recently: Yes

4. Notes

- (1) Changes in significant subsidiaries during the six months ended August 31, 2020 (changes in specified subsidiaries resulting in the change in scope of consolidation):
Newly consolidated: – company(ies) (company name), Excluded: – company(ies) (company name) No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
(Note) For details, please see “(3) Notes to quarterly consolidated financial statements (Adoption of special accounting procedures used in preparation of the quarterly consolidated financial statements)” on page 10 of the attachments.
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: No
 - 2) Changes in accounting policies due to other reasons: No
 - 3) Changes in accounting estimates: No
 - 4) Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

- 1) Total number of issued shares at the end of the period (including treasury shares)

As of November 30, 2020	44,392,680 shares	As of February 29, 2020	44,392,680 shares
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- 2) Number of treasury shares at the end of the period

As of November 30, 2020	6,041,555 shares	As of February 29, 2020	6,064,309 shares
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- 3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended November 30, 2020	38,343,866 shares	Nine months ended November 30, 2019	38,314,474 shares
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* Quarterly financial results are not subject to quarterly reviews by a Certified Public Accountant or audit firm.

* Explanation of appropriate use of operating results forecasts and other special notes:

- Any statement on the future such as an outlook for financial results included in this material is based on information the Company presently has and certain assumptions the Company considers reasonable, and the Company does not promise it will be achieved. In addition, actual financial results may significantly differ due to various factors.

* Method to obtain supplementary materials on quarterly financial results:

- Supplementary materials on quarterly financial results will be posted on the IR information section of the Company’s website on January 15, 2021 (Friday).

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1. Qualitative Information on Quarterly Financial Results under Review

(1) Explanation of consolidated operating results

During the nine-month period under review, the future outlook for the Japanese economy remained uncertain as consumption activities in Japan remained weak due to the impact of the spread of COVID-19, coupled with another rise in COVID-19 cases.

The restaurant industry continued to face a challenging business environment due to the impact of increases in raw material prices, logistics expenses, personnel expenses caused by a shortage of labor, and other costs on profits, diversification of consumption trends, stay-at-home requests in response to the spread of COVID-19, and requests to shorten business hours at stores. Meanwhile, the home meal replacement industry remained robust due to higher demand for takeout meals and food delivery as consumers refrained from leaving home.

Under these circumstances, in an effort to increase customer satisfaction, the Group focused on enhancing its business foundations by developing existing brands and on operating stores with due consideration to the safety of customers and employees.

As part of efforts to develop existing brands, we promoted the expansion of over-the-counter sales. We did this through such measures as launching campaigns using products manufactured at the Group's plants, implementing sales strategies with business type-specific targets, and expanding stores that adapt to digital marketing and delivery services using smartphone applications and other platforms while continuing to focus on promotion of franchising.

For store operation, in addition to expanding stores that offer delivery services, Hotto Motto has been making improvements by shifting to contactless operations through means such as introducing electronic money to all stores, expanding payment brand options, and increasing online orders. For YAYOI, we have promoted the creation of an environment where customers feel safe eating by implementing various measures. These include expanding to-go menu items, installing partitions on tables to prevent droplet infection, and resuming "Refilling Station" with the introduction of a "Rice Refilling Robot" in all stores.

However, the global spread of COVID-19 has caused a significant impact on the restaurant industry as it resulted in global travel restrictions, including a ban on entering or leaving countries, and restrictions on leaving home, along with the declaration of a state of emergency in Japan.

In Japan, net sales at existing stores of Hotto Motto in the nine-month period under review remained strong, up 3.3% on a year-on-year basis. While YAYOI and MK RESTAURANTS were on a recovery trend, net sales at YAYOI and MK RESTAURANTS were down 21.4% and 10.8%, respectively.

[Year-on-year change in net sales at existing stores in Japan]

	First quarter (March–May)	Second quarter (June–August)	Third quarter under review (September–November)	Nine-month period under review (March–November)
Hotto Motto	+2.4%	+4.1%	+3.3%	+3.3%
YAYOI	-35.8%	-20.9%	-5.0%	-21.4%
MK RESTAURANTS	-23.8%	-10.7%	-2.7%	-10.8%

In overseas markets, we continued to face a challenging business environment as we were affected significantly in some countries and regions by being forced to temporarily close businesses based on government orders and also received restrictions in other countries and regions such as shortened business hours and doing business by delivery only.

As a result of the above, the Company posted net sales of 105,019 million yen (down 6.9% year-on-year), operating profit of 186 million yen (up 11.2% year-on-year), ordinary profit of 659 million yen (up 7.1% year-on-year), and a net loss attributable to owners of parent of 931 million yen (a net loss attributable to owners of parent of 949 million yen in the same period last year) for the nine-month period under review.

Net sales decreased year-on-year due to a decrease in net sales at existing stores of YAYOI and MK RESTAURANTS caused by the spread of COVID-19 and closure of 190 company-operated stores of Hotto Motto in the previous fiscal year, despite an increase in net sales at existing stores of Hotto Motto. Profits increased year-on-year attributed to an increase in net sales at existing stores of Hotto Motto and the effects of store closures in the previous fiscal year, despite a decrease in net sales at existing stores of YAYOI and MK RESTAURANTS. The main factor behind the net loss attributable to owners of parent was the recording of an impairment loss on non-current assets of stores.

[Status of store development in Japan]

	End of previous fiscal year	Opening	Closing	End of third quarter under review	Renovation/Rel ocation
Hotto Motto	2,527 stores	4 stores	36 stores	2,495 stores	28 stores
YAYOI	382 stores	9 stores	18 stores	373 stores	13 stores
MK RESTAURANTS	32 stores	1 store	7 stores	26 stores	–
Total	2,941 stores	14 stores	61 stores	2,894 stores	41 stores

[Status of store development outside Japan]

	Area	End of previous fiscal year	Opening	Closing	End of third quarter under review
Hotto Motto	China	3 stores	–	1 store	2 stores
	South Korea	10 stores	–	–	10 stores
	Singapore	1 store	–	–	1 store
YAYOI	Thailand	198 stores	1 store	4 stores	195 stores
	Singapore	10 stores	1 store	2 stores	9 stores
	Australia	6 stores	–	–	6 stores
	Taiwan	21 stores	2 stores	2 stores	21 stores
	USA	3 stores	1 store	–	4 stores
	Philippines	51 stores	–	–	5 stores
	Malaysia	2 stores	1 store	–	3 stores
Total	–	259 stores	6 stores	9 stores	256 stores

The Group's business performance by segment is as follows.

[Hotto Motto Business]

As a top brand of take-out bento boxes and with a safe and secure quality management system, Hotto Motto aims to provide bento boxes that are freshly made in stores by focusing on tasty rice and using carefully selected high-quality rice grown in Japan. We worked to provide high-value-added products, such as by improving the quality of products using the Group's plants and increasing the volume of products, with the goal of increasing customer satisfaction. In addition, efforts were made to drive repeat visits to stores by releasing products targeting youth who are light users, such as holding the "Katsudon Fair" featuring tasty and high-quality pork loin cutlet produced at the Group's plants and releasing "Hakata Mentaimayo Karaage Bento" and "Tsunamayo Shiokonbu Nori Bento." On top of the above, ongoing efforts were made to respond to customers' diverse needs, such as expanding stores that offer delivery services, launching the Hotto Motto Official Application, and expanding contactless payments with the introduction of QR code payments and electronic money to all stores.

As a result of the above, the Company posted net sales of 77,997 million yen (down 2.3% year-on-year) and operating profit of 2,936 million yen (operating loss of 43 million yen in the same period last year). Net sales decreased year-on-year due to the impact of closure of 190 company-operated stores in the previous fiscal year, despite an increase in net sales at existing stores (up 3.3% year-on-year). Operating profit entered the black due primarily to an increase in net sales at existing stores and the effects of closure of 190 company-operated stores in the previous fiscal year.

[YAYOI Business]

Based on the concept of providing "teishoku" (set meal) dishes that place the emphasis on ingredients and a home-made feel, we focused on driving customer visits by launching products for medium and light users and implementing a campaign to offer "Chicken Nanban Teishoku" and "Misokatsuni Teishoku" at a special price of 490 yen with the largest discount ever, in addition to promoting existing initiatives for products for heavy users. Moreover, in addition to expanding stores that offer delivery services, efforts were made to create an environment where customers feel safe eating by expanding to-go menu items and installing partitions on tables to prevent droplet infection in June and resuming "Refilling Station" with the introduction of "Rice Refilling Robot" in all stores at the end of September.

As a result of the above, the Company posted net sales of 18,504 million yen (down 19.9% year-on-year) and an operating loss of 2,034 million yen (operating profit of 855 million yen in the same period last year). Net sales decreased year-on-year due to a decrease in net sales at existing stores (down 21.4% year-on-year) caused by the spread of COVID-19 despite a gradual recovery. Profits also decreased year-on-year due to a decrease in net sales at existing stores.

[MK RESTAURANTS Business]

We enhanced product capability by adding a limited-time offer of garlic flavored "Motsunabe Soy Sauce Soup" that uses dark soy sauce, which has a deep and sweet taste and is commonly used in Kyushu, with the savor of bonito and fish sauce to SHABU-SHABU (thinly sliced meat boiled with vegetables), a product that allows customers to choose from plenty of ingredients and unique soup, and offering a wide range of specially selected ingredients and dim sum menu items. In addition, we focused on driving customer visits by regularly implementing sales promotion initiatives targeting families. Efforts were also made to improve profitability by closing seven unprofitable stores.

As a result of the above, the Company posted net sales of 1,663 million yen (down 32.7% year-on-year) and an operating loss of 265 million yen (operating loss of 265 million yen in the same period last year). Net sales decreased year-on-year due to a decrease in net sales at existing stores (down 10.8% year-on-year) caused by the spread of COVID-19, temporary closure of stores, and closure of unprofitable stores despite a gradual recovery. Meanwhile, profits increased year-on-year due partly to the effects of closing unprofitable stores despite a decrease in net sales at existing stores.

[Overseas Business]

In the overseas business, efforts were made to restore profitability by enhancing profitability of existing stores through such measures as implementing market-specific initiatives to boost sales and reducing costs at stores through the local procurement of ingredients. However, we continued to face a challenging situation due to the impact of the spread of COVID-19 as we were affected significantly in some countries and regions by being forced to temporarily close business based on government orders and also received restrictions in other countries and regions such as shortening business hours and doing business by delivery only.

As a result of the above, the Company posted net sales of 2,089 million yen (down 30.9% year-on-year) and an operating loss of 603 million yen (operating loss of 430 million yen in the same period last year).

[Other]

MSF Co., Ltd. (formerly, MIYAJIMA SHOYU FLAVOR Co., Ltd.; change of trade name on March 1, 2020), whose main business is as an OEM (original equipment manufacturer) of seasonings and processed food, proactively proposed new products to existing business partners while conducting marketing activities to acquire new ones. MSF Co., Ltd., which also engages in the development of seasonings and other ingredients used at the Group's stores, focused on expanding the number of products.

As a result of the above, the Company posted net sales of 4,765 million yen (up 10.3% year-on-year). Regarding profits, the Company posted an operating profit of 217 million yen (up 141.8% year-on-year) as a result of an increase in production despite amortization of goodwill.

(2) Explanation of consolidated financial position

Total assets as of the end of the third quarter under review were 82,734 million yen, down 3,445 million yen compared with the end of the previous fiscal year. This consisted of a decrease of 426 million yen in current assets and a decrease of 3,019 million yen in non-current assets. The decrease in current assets was mainly due to a decrease of 1,877 million yen in cash and deposits, an increase of 593 million yen in notes and accounts receivable - trade, and an increase of 895 million yen in merchandise and finished goods. The decrease in non-current assets was chiefly attributable to a decrease of 2,519 million yen in property, plant and equipment.

Liabilities decreased by 1,443 million yen from the end of the previous fiscal year to 29,244 million yen. This consisted of a decrease of 1,626 million yen in current liabilities and an increase of 183 million yen in non-current liabilities. The decrease of current liabilities was mainly due to a decrease of 1,361 million yen in accrued consumption taxes included in "Other" under current liabilities. The increase of non-current liabilities was chiefly attributable to an increase of 261 million yen in lease obligations included in "Other" under non-current liabilities and a decrease of 69 million yen in asset retirement obligations.

Net assets decreased by 2,001 million yen from the end of the previous fiscal year to 53,489 million yen. This primarily consisted of a decrease of 2,129 million yen in retained earnings. The decrease in retained earnings was mainly due to the recording of a net loss attributable to owners of parent of 931 million yen and dividend payments of 1,149 million yen.

(3) Explanation of future forecast information such as consolidated financial results forecasts

The Company revised financial results forecasts for the fiscal year ending February 28, 2021, announced on November 27, 2020. For details, see "Notice Concerning Revision of Consolidated Financial Results Forecasts" announced today.

(Risk Information on COVID-19)

The global spread of COVID-19 has caused a significant impact on the restaurant industry as it resulted in global travel restrictions, including a ban on entering or leaving countries, and restrictions on leaving home, along with the declaration of a state of emergency in Japan.

In order to achieve customer satisfaction as a food infrastructure company, the Group has fully implemented measures to prevent infections by following health administration guidelines and expanded stores that offer delivery services. We operate stores with due consideration to the safety of customers and employees. For example, we enhanced our efforts for contactless services at Hotto Motto and installed partitions to prevent droplet infection and "Rice Refilling Robot" at YAYOI.

In addition, we strive to stably procure raw materials by enhancing the cooperation and alliances we have with each business partner and leveraging our expertise in imports. For supply systems, we are working to enhance stable supply and improve productivity by promoting in-house production of core products through effective use of the Group's plants.

However, if the impact is prolonged or worsens further, over-the-counter net sales may decrease and a shortage of raw materials, a surge in purchase prices, and other issues may occur, which may affect the operating results and financial position of the Group.

2. Quarterly consolidated financial statements

(1) Consolidated balance sheets

	(Millions of yen)	
	As of February 29, 2020	As of November 30, 2020
Assets		
Current assets		
Cash and deposits	10,076	8,199
Notes and accounts receivable - trade	2,648	3,242
Merchandise and finished goods	5,950	6,845
Raw materials and supplies	188	257
Other	2,761	2,671
Allowance for doubtful accounts	(497)	(513)
Total current assets	21,128	20,702
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	32,009	29,587
Other, net	13,564	13,467
Total property, plant and equipment	45,574	43,054
Intangible assets		
Goodwill	900	760
Other	2,130	2,051
Total intangible assets	3,031	2,812
Investments and other assets		
Deferred tax assets	3,139	3,449
Other	13,351	12,755
Allowance for doubtful accounts	(45)	(40)
Total investments and other assets	16,445	16,164
Total non-current assets	65,050	62,031
Total assets	86,179	82,734
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,108	6,452
Short-term borrowings	694	1,108
Income taxes payable	360	577
Provision for bonuses	340	240
Provision for point card certificates	258	298
Provision for shareholder benefit program	123	50
Asset retirement obligations	70	21
Other	11,133	8,712
Total current liabilities	19,090	17,463
Non-current liabilities		
Long-term borrowings	1,171	1,211
Retirement benefit liability	93	107
Asset retirement obligations	7,191	7,122
Other	3,140	3,339
Total non-current liabilities	11,598	11,781
Total liabilities	30,688	29,244

	As of February 29, 2020	As of November 30, 2020
Net assets		
Shareholders' equity		
Share capital	3,461	3,461
Capital surplus	4,724	4,714
Retained earnings	58,304	56,174
Treasury shares	(11,820)	(11,776)
Total shareholders' equity	54,669	52,574
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(15)	(11)
Foreign currency translation adjustment	74	97
Total accumulated other comprehensive income	58	86
Share acquisition rights	236	223
Non-controlling interests	527	605
Total net assets	55,491	53,489
Total liabilities and net assets	86,179	82,734

(2) Consolidated statements of income (year to date) and consolidated statements of comprehensive income (year to date)
Consolidated statements of income (year to date)
(Nine-month period)

(Millions of yen)

	Nine months ended November 30, 2019	Nine months ended November 30, 2020
Net sales	112,786	105,019
Cost of sales	56,127	51,456
Gross profit	56,658	53,563
Selling, general and administrative expenses	56,490	53,377
Operating profit	167	186
Non-operating income		
Interest income	22	18
Dividend income	2	1
Rental income from non-current assets	102	102
Compensation income	70	57
Insurance claim income	153	174
Share of profit of entities accounted for using equity method	2	9
Other	283	277
Total non-operating income	636	641
Non-operating expenses		
Interest expenses	8	32
Rental expenses on non-current assets	5	4
Loss on cancellation of rental contracts	35	41
Foreign exchange losses	67	–
Provision of allowance for doubtful accounts	6	28
Other	64	62
Total non-operating expenses	189	168
Ordinary profit	615	659
Extraordinary income		
Gain on sales of non-current assets	0	5
Subsidy income	109	–
Total extraordinary income	110	5
Extraordinary losses		
Loss on disposal of non-current assets	252	136
Impairment loss	1,069	913
Loss on tax purpose reduction entry of non-current assets	100	–
Other	1	9
Total extraordinary losses	1,423	1,059
Loss before income taxes	(697)	(395)
Income taxes	201	457
Loss	(898)	(852)
Profit attributable to non-controlling interests	50	79
Loss attributable to owners of parent	(949)	(931)

Consolidated statements of comprehensive income (year to date)
(Nine-month period)

	(Millions of yen)	
	Nine months ended November 30, 2019	Nine months ended November 30, 2020
Loss	(898)	(852)
Other comprehensive income		
Valuation difference on available-for-sale securities	(30)	4
Foreign currency translation adjustment	33	18
Share of other comprehensive income of entities accounted for using equity method	(52)	4
Total other comprehensive income	(49)	27
Comprehensive income	(948)	(825)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(996)	(904)
Comprehensive income attributable to non-controlling interests	48	78

(3) Notes to quarterly consolidated financial statements

(Notes regarding the going concern assumption)

Not applicable.

(Notes when there is a significant change in the amount of shareholders' equity)

Not applicable.

(Application of special accounting methods for preparing quarterly consolidated financial statements)

With respect to tax expenses, the Company has adopted a calculation method to reasonably estimate the effective tax rate after applying tax effect accounting to profit before income taxes in the fiscal year including the third quarter under review and calculate them by multiplying this estimated effective tax rate by profit before income taxes. However, the Company uses the statutory effective tax rate to calculate tax expenses when using the estimated effective tax rate gives a noticeably irrational result.

(Additional information)

The spread of COVID-19 and the Japanese government's declaration of a state of emergency have had a negative impact on the Group's stores, including a decrease in net sales in the YAYOI Business and MK RESTAURANTS Business, due partly to temporary closure and shortening of business hours during the period of the state of emergency.

The Company calculated its accounting estimates (recoverability of deferred tax assets and impairment test of non-current assets) based on the assumption regarding COVID-19 that there would be some impact from the efforts consumers made to avoid going out during the period from the previous fiscal year to the second quarter, but demand would pick up gradually and the impact would fade away by the end of the fiscal year under review. However, in the third quarter under review, the Company calculated its accounting estimates based on the revised assumption that the timing of the COVID-19 pandemic ending would be later than expected and its impact would remain until the end of the next fiscal year. The change caused no impact on the existing accounting estimates.

Due to the highly uncertain nature of the impact of COVID-19 on economic activities, if there is any change in the above assumptions, the operating results and financial position of the Group may be affected in the future.

(Segment information)

[Segment information]

I. Nine-month period in the previous fiscal year (from March 1, 2019 to November 30, 2019)

1. Information on net sales, income or loss by reporting segment

(Millions of yen)

	Reporting segment					Other (Note 1)	Adjustments (Note 2)	Amount on quarterly consolidated statement of income (Note 3)
	Hotto Motto Business	YAYOI Business	MK RESTAU RANTS Business	Overseas Business	Total			
Net sales								
(1) Net sales to external customers (including other operating revenue)	79,869	23,100	2,472	3,022	108,465	4,320	–	112,786
(2) Intersegment sales or transfer	–	–	–	–	–	1,444	(1,444)	–
Total	79,869	23,100	2,472	3,022	108,465	5,765	(1,444)	112,786
Segment income (loss)	(43)	855	(265)	(430)	116	89	(38)	167

(Notes)

- 1 “Other” represents segments not included in reporting segments and includes one consolidated subsidiary.
- 2 The adjustments to segment income (loss) represent corporate expenses that are not allocated to each reporting segment.
- 3 Segment income (loss) is adjusted with operating profit stated in the quarterly consolidated statement of income.

2. Information on impairment loss on non-current assets, goodwill, etc. by reporting segment

(Material impairment loss on non-current assets)

The Company recognized an impairment loss for assets. The amounts of impairment loss recorded were 955 million yen and 113 million yen, respectively, in the nine-month period under review.

II. Nine-month period under review (from March 1, 2020 to November 30, 2020)

1. Information on net sales, income or loss by reporting segment

(Millions of yen)

	Reporting segment					Other (Note 1)	Adjustments (Note 2)	Amount on quarterly consolidated statement of income (Note 3)
	Hotto Motto Business	YAYOI Business	MK RESTAU RANTS Business	Overseas Business	Total			
Net sales								
(1) Net sales to external customers (including other operating revenue)	77,997	18,504	1,663	2,089	100,254	4,765	–	105,019
(2) Intersegment sales or transfer	–	–	–	–	–	1,630	(1,630)	–
Total	77,997	18,504	1,663	2,089	100,254	6,396	(1,630)	105,019
Segment income (loss)	2,936	(2,034)	(265)	(603)	32	217	(63)	186

(Notes)

- 1 “Other” represents segments not included in reporting segments and includes one consolidated subsidiary.
- 2 The adjustments to segment income (loss) represent corporate expenses that are not allocated to each reporting segment.
- 3 Segment income (loss) is adjusted with operating profit stated in the quarterly consolidated statement of income.

2. Information on impairment loss on non-current assets, goodwill, etc. by reporting segment

(Material impairment loss on non-current assets)

In each segment of the YAYOI Business, MK RESTAURANTS Business, and Overseas Business, the Company recognized an impairment loss for stores that have become unrecoverable and those that continue to post a loss for such reasons as the decision to close stores during the nine-month period under review. The amounts of impairment loss recorded were 646 million yen, 45 million yen, and 221 million yen, respectively, in the nine-month period under review.